Public Notice on a Proposed Environmental Cooperative Agreement between the Wisconsin Department of Natural Resources and Wisconsin Electric Power Company, 231 W. Michigan Street, Milwaukee, Milwaukee County, Wisconsin, and Associated State Implementation Plan Revisions

Pursuant to Section 299.80, Wis. Stats., the Department of Natural Resources (DNR) is proposing to enter into an Environmental Cooperative Agreement with Wisconsin Electric Power Company (WEPCO) under the Environmental Cooperation Pilot Program.

WEPCO owns and operates five coal-burning power plants and three natural gas-burning power plants in Wisconsin and employs 6000 people. The following Wisconsin power plants are included in the proposed agreement:

Concord Generating Station, N8914 County Highway E, Watertown, Jefferson County Germantown Power Plant, N96 W19298 County Line Road, Germantown, Washington County Milwaukee County Power Plant, 9250 Watertown Plank Road, Wauwatosa, Milwaukee County Oak Creek Power Plant, 4801 East Elm Road, Oak Creek, Milwaukee County Paris Generating Station, 335 North 172<sup>nd</sup> Avenue, Union Grove, Kenosha County Pleasant Prairie Power Plant, 8000 95<sup>th</sup> Street, Pleasant Prairie, Kenosha County Port Washington Power Plant, 146 South Wisconsin Street, Port Washington, Ozaukee County Valley Power Plant, 1035 West Canal Street, Milwaukee, Milwaukee County

WEPCO volunteered to help Wisconsin DNR pilot new approaches to environmental regulation through the Environmental Cooperation Pilot Program. The Agreement contains the language that determines how DNR and WEPCO will carry out the goals of the Environmental Cooperation Pilot Program. Public comments on the proposed Agreement are welcome.

#### **Summary of the proposed Environmental Cooperative Agreement**

This Environmental Cooperative Agreement will allow WEPCO to implement an integrated air quality approach at its coal-burning power plants in Wisconsin. WEPCO will implement enforceable limitations on emissions of sulfur dioxide, nitrogen oxides, and mercury. The emission limits will be phased in over a ten-year period. The Company will meet certain interim limits for SO<sub>2</sub>, NOx, and Hg five years following approval of this agreement. These limits are more stringent than the current limitations for these coal-burning power plants. The agreement also describes certain non-binding goals that the Company has established for greenhouse gas reductions.

In exchange for agreeing to comply with more stringent limitations than currently required, Wisconsin Electric will receive flexibility with regard to permit streamlining, reduced reporting and decreased administrative expense, alternative monitoring and enhanced corrective action, and a multi-emission compliance alternative for the State's mercury rule at its fossil-fuel burning power plants.

#### **About the Environmental Cooperation Pilot Program**

The Environmental Cooperation Pilot Program (Program) was introduced by Governor Thompson and passed by the State Legislature as part of the 1997 – 1999 Biennial Budget. It is designed to evaluate innovative environmental regulatory methods including whole-facility regulation. It encourages the use of systematic assessments of environmental impacts from this facility, and is designed to focus on reducing pollution in an efficient and cost effective manner. The Program provides increased flexibility for pilot facilities that not only maintain existing

levels of environmental protection, but also go beyond and provide superior environmental performance. Furthermore, the Program encourages substantial public participation by those affected by the activities at the facility.

## Revisions to the State Implementation Plan (SIP) for Air Quality

DNR also intends to submit a source-specific SIP revision to the United States Environmental Protection Agency (USEPA) in order to make Wisconsin's SIP consistent with section XI of the proposed Environmental Cooperative Agreement. The SIP revisions relate to the permit flexibility proposed in the Environmental Cooperative Agreement.

## Opportunity for public to comment

There is a public comment period associated with the proposed Environmental Cooperative Agreement, which will end September 23, 2002. During the public comment period, DNR will accept written comments from the public regarding its proposed Environmental Cooperative Agreement with WEPCO and its proposal to revise the SIP. These comments will be considered before a final decision is made on the agreement or the SIP submittal. Submit comments on the proposed actions by US Mail, fax or e-mail to John Shenot, the DNR project manager.

### **Notice of Public Hearing**

NOTICE IS HEREBY GIVEN that DNR will conduct a public hearing on the proposed Environmental Cooperative Agreement and SIP revision. The hearing will be held:

Monday, September 23, 2002 at 11:00 a.m.

Room 140-141, DNR Southeast Region Headquarters

2300 N. Dr. Martin Luther King Jr. Drive, Milwaukee, Wisconsin.

### How DNR will make a final decision on the proposed action

In making a final decision on the proposed action, DNR will insure that the applicant has complied with all of the requirements in sec. 299.80(6)(d) Wis. Stats. DNR will also review and consider all public comments received within the public comment period and at the public hearing. In consultation with the project manager and other staff, the DNR Secretary will decide whether or not to sign and implement the Environmental Cooperative Agreement.

The decision by the Department to enter into an agreement is not subject to review under ch. 227, Stats. The agreement itself, once issued, is subject to review under ch. 227, Stats. To request a contested case hearing pursuant to sec. 227.42, Wis. Stats., a person has 30 days after the agreement is signed to serve a petition for hearing upon the Secretary of the DNR. A request for contested case hearing should be made in accordance with NR 2.05(5) Wis. Adm. Code. The filing of a request for contested case hearing is not a prerequisite for judicial review under ch. 227, Stats., and does not extend the time limits for filing a petition for judicial review.

#### For additional information about the proposed agreement, please contact:

Department of Natural Resources John Shenot, Project Manager 101 S. Webster St., PO Box 7921 Madison, WI 53707-7921 John.Shenot@dnr.state.wi.us 608-267-0802 608-267-0496 (fax) Wisconsin Electric Power Company Kris McKinney, Env. Strategy Manager 231 W. Michigan St., PO Box 2046 Milwaukee, WI 53201 kris.mckinney@wepco.com 414-221-2157 414-221-2169 (fax)

# Additional information available

Bureau of Cooperative Environmental Assistance

Copies of this Cooperative Agreement and a fact sheet describing the Agreement can be accessed via the Internet at: <a href="http://www.dnr.state.wi.us/org/caer/cea/ecpp/">http://www.dnr.state.wi.us/org/caer/cea/ecpp/</a> or by contacting the DNR project manager listed above.

Reasonable requests for the information in an alternate format will be provided to qualified individuals with disabilities.	
For the Secretary:	
/s/ Mark McDermid Mark McDermid, Director	8/13/02 Date